(b) if so, what are the aims and objectives of the scheme; and

(c) the details of States that have come forward to avail the facility in the last two years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Government of India announced the debt Swap Scheme in the year 2002 to enable the States to prepay high cost loans carrying interest rate of 13% and above, contracted from Govt, of India in the past with low coupon bearing Small Savings loans and open market borrowings.

(b) The scheme was aimed to take advantage of the low interest regime and allow States to swap their high cost loans with low interest bearing loans. This was helped the States address the problem of mounting burden of interest payments.

(c) During 2002-03, twenty six States participated in the scheme. Two States i.e. Maharashtra & West Bengal did not participate during 2002-03. These two States also participated from 2003-04 to 2004-05. Rs. 102033.59 crore of high cost loans were swapped during 2002—05.

Income Tax Raids on Engineering/Medical Colleges in Maharashtra

2237. SHRI AMAR SINGH:

SHRI ABU ASIM AZMI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Income-Tax officials have recently raided some of the Engineering and Medical Colleges in Maharashtra;

(b) if so, what are the details of assets or incriminating documents seized in the raids of each college/hospital; and

(c) what action is proposed to be taken against the management of concerned colleges?

THE MINISTER OF FINANCE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No search warrant under section 132 of the Income Tax Act, 1961 was issued against any engineering or medical college recently by the Directorate General of Income Tax

(Investigation), Pune. However, the premises of some of the engineering and medical colleges were surveyed u/s 133A of Income Tax Act. Apart from that, some persons, allegedly connected with these engineering/ medical colleges were searched.

(b) During the course of survey on these engineering and medical colleges, no assets were seized. The documents which the department has obtained during survey are being examined.

(c) On the basis of the result of the examination of these documents, action as per the provisions of the Direct Tax Laws will be taken.

DTAAs for gaining income overseas

2238. SHRI RAVI SHANKAR PRASAD:
SHRI B.J. PANDA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to work out Double Tax Avoidance Agreements (DTAAs) with different countries in a move that would reduce the tax burden on Indians gaining income overseas through professional services and investments;

(b) if so, the details thereof; and

(c) the details of existing DTAAs that we have with different countries and the details of those which are most beneficial to Indians?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) (a) Yes, Sir.

(b) The Double Taxation Avoidance Agreements (DTAAs) being entered into by the Government usually provide for an article on independent personal services under which the double taxation of income earned by Indian residents overseas through professional services is avoided. Similarly, the provisions of DTAA provide for a lower source country withholding tax rate on certain items of income including interest, dividends, royalties and fees for technical services.

(c) India has entered into DTAA with 69 countries and all the agreements so entered are beneficial to Indians.